

DD/A Registry

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1983

OC M83-255

MEMORANDUM FOR: Deputy Director for Administration

FROM: William F. Donnelly [redacted]  
Director of Communications

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SUBJECT: Existing Conditions that Deter Employee  
Acceptance of Domestic PCS Assignments [redacted]

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As requested, we have compiled some existing conditions that we feel deter our Communication Officers from accepting domestic PCS assignments. These conditions are set forth in the attachment to this memorandum. [redacted]

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William F. Donnelly [redacted]

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Attachment:  
As Stated

WARNING NOTICE  
INTELLIGENCE SOURCES  
AND METHODS INVOLVED

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# EXISTING CONDITIONS THAT DETER EMPLOYEE ACCEPTANCE OF DOMESTIC PCS ASSIGNMENTS

Temporary Lodging Allowance (TLA) payments to employees in conjunction with a PCS transfer within CONUS are subject to income tax and are included on the employee's W-2 as taxable income. These employees must incur additional re-settlement living expenses over and above their normal living expenses due to such transfers and they are reimbursed for these expenses within the limitations allowed by the federal travel regulations. However, because only a portion of such expenses can be deducted from their gross income under federal tax laws, the employees can be relegated to a higher tax bracket because the authorized TLA payments have inflated the earnings recorded on their W-2 forms. Recently, one of our officers was required to pay an additional \$1,700 in income taxes due to such TLA payments. The fact that the transfer was for the convenience of the government and dictated by staffing requirements is ignored.

The reporting of TLA payments as taxable income has also had an impact on those employees who seek student loans for their children. In some instances, the amount of student loans available at a lower interest rate have been reduced because the employee's taxable income that is reported to the lending institutions has been increased by the amount of TLA payments. Consequently, the employee is penalized by having to borrow educational funds at a higher interest rate.

The financial burdens associated with domestic assignments have resulted in almost total refusal by our officers to accept such transfers. So much so that we have had to rely totally upon individuals volunteering for such assignments. Because volunteers are few and far between, we have allowed those currently in place to remain for as long as they choose. If we continue with this practice, we fear that careerists may stagnate; they may become less competitive; they may become less qualified for future assignments because they are disassociated from new equipment and systems that enter the OC foreign field portion of the communications network. Examples of particular problem areas are:

[redacted] An employee reluctantly accepted assignment to our [redacted] Office in [redacted] Recent dialogue with this employee indicates that he intends to stay only two years. He has stated that his monthly bills (rent, utilities, normal living expenses, etc.) exceed his monthly salary. Even with his wife working, he has had to dip into his savings and is living a life style far below that of his previous assignment in the Washington area. STAT

[redacted] We have not had a PCS communicator for the senior officer position in our [redacted] office in [redacted] since early 1982. This position has been staffed with TDY personnel at an annual cost of approximately \$25,000 since the last incumbent's departure. Numerous individuals have been interviewed and cables have been sent to our worldwide facilities in an attempt to identify someone for this position. Reasons cited for declining this assignment are: the high cost of living; poor quality of the public educational system; and fear of physical danger with living in [redacted]

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[redacted] - As with [redacted] several requests have been sent worldwide seeking volunteers. There have been no responses. Our search continues while we continue to provide operational coverage with TDY personnel.

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